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**UNITED STATES DISTRICT COURT
 DISTRICT OF NEVADA**

16 Kristine C. Thompson,

17 Plaintiff/s,

18 v.

19 Specialized Loan Servicing LLC, Trans
 20 Union LLC, and Equifax Information
 21 Services LLC,

22 Defendant/s.

Case No.:

**Complaint for damages under the Fair
 Credit Reporting Act, 15 U.S.C. §
 1681, et seq.**

Jury trial demanded

Introduction

- 24 1. The United States Congress has found the banking system is dependent up-on
 25 fair and accurate credit reporting. Inaccurate credit reports directly impair the
 26 efficiency of the banking system, and unfair credit reporting methods
 27

1 undermine the public confidence, which is essential to the continued
2 functioning of the banking system. Congress enacted the Fair Credit
3 Reporting Act, 15 U.S.C. § 1681 et seq. (“FCRA”), to ensure fair and accurate
4 re-ported, promote efficiency in the banking system, and protect consumer
5 privacy. The FCRA seeks to ensure consumer reporting agencies exercise
6 their grave responsibilities with fairness, impartiality, and a respect for the
7 consumer’s right to privacy because consumer reporting agencies have
8 assumed such a vital role in assembling and evaluating consumer credit and
9 other information on consumers. The FCRA also imposes duties on the
10 sources that provide credit information to credit reporting agencies, called
11 “furnishers.”

12 2. The FCRA protects consumers through a tightly wound set of procedural
13 protections from the material risk of harms that otherwise flow from
14 inaccurate reporting. Thus, through the FCRA, Congress struck a balance
15 between the credit industry’s desire to base credit decisions on accurate
16 information, and consumers’ substantive right to protection from damage to
17 reputation, shame, mortification, and the emotional distress that naturally
18 follows from inaccurate reporting of a consumer’s fidelity to his or her
19 financial obligations.

20 3. Kristine C. Thompson (“Plaintiff”), by counsel, brings this action to challenge
21 the actions of Specialized Loan Servicing LLC (“SLS”), Trans Union LLC
22 (“Trans Union”), and Equifax Information Services LLC (“Equifax”) (jointly
23 as “Defendants”), with regard to erroneous reports of derogatory credit
24 information to national reporting agencies and Defendants’ failure to properly
25 investigate Plaintiff’s disputes.

1 4. Plaintiff makes these allegations on information and belief, with the exception
2 of those allegations that pertain to Plaintiff, which Plaintiff alleges on personal
3 knowledge.

4 5. While many violations are described below with specificity, this Complaint
5 alleges violations of the statutes cited in their entirety.

6 6. Unless otherwise stated, all the conduct engaged in by Defendant took place
7 in Nevada.

8 7. Any violations by Defendants was knowing, willful, and intentional, and
9 Defendants did not maintain procedures reasonably adapted to avoid any such
10 violations.

11 8. Defendants failed to properly investigate Plaintiff's disputes, damaging
12 Plaintiff's creditworthiness.

13 **Jurisdiction and Venue**

14 9. Jurisdiction of this Court arises pursuant to 28 U.S.C. § 1331 (federal question
15 jurisdiction); 15 U.S.C. § 1681.

16 10. This action arises out of Defendant's violations of the FDCPA.

17 11. Venue is proper in the United States District Court for the District of Nevada
18 pursuant to 28 U.S.C. § 1391(b) because Plaintiff is a resident of Clark
19 County, Nevada and because Defendants are subject to personal jurisdiction
20 in Clark County, Nevada as they conduct business here. Venue is also proper
21 because the conduct giving rise to this action occurred in Nevada. 28 U.S.C.
22 § 1391(b)(2).

23 **Parties**

24 12. Plaintiff is a natural person living in Clark County, Nevada. In addition,
25 Plaintiff is a "consumer" as that term is defined by 15 U.S.C. § 1681a(c).

26 13. Defendant are each a corporation doing business in the State of Nevada.
27

- 1 14. The furnishers named herein, including SLS, are furnishers of information as
2 contemplated by 15 U.S.C. § 1681s-2(b) that regularly and in the ordinary
3 course of business furnish information to a consumer credit reporting agency.
- 4 15. Equifax and Trans Union regularly assemble and/or evaluate consumer credit
5 information for the purpose of furnishing consumer reports to third parties and
6 use interstate commerce to prepare and/or furnish the reports. Equifax and
7 Trans Union are each a “consumer reporting agency” as that term is defined
8 by 15 U.S.C. §1681a(f).
- 9 16. Unless otherwise indicated, the use of Defendants’ names in this Complaint
10 includes all agents, employees, officers, members, directors, heirs, successors,
11 assigns, principals, trustees, sureties, subrogees, representatives, and insurers
12 of the named Defendant.
- 13 17. As detailed herein, each of the credit reporting agencies named herein, re-
14 reported the inaccurate information, thus violating their duty to follow
15 reasonable procedures to assure maximum possible accuracy under 15 U.S.C.
16 § 1681e(b) when preparing a consumer report.

17 — THE EQUIFAX VIOLATIONS —

18 **Equifax and SLS Misreported Credit Information**

19 **Re: SLS Account No. 7073*****

- 20 18. In Plaintiff’s credit report from Equifax dated April 21, 2020, Equifax and
21 SLS inaccurately reported that Plaintiff was reporting the account as "charge
22 off" with the amount \$72,544 as "charged off." However, Plaintiff entered
23 into a loan modification agreement in August 2011 and has been current on
24 the loan since that time.
- 25 19. More specifically, Plaintiff has been making the payments each month since
26 2011 and the account is open, active, and paid on time.
- 27

20. Defendants are reporting inaccurately that the account is charged off, falsely implying that Plaintiff is not currently making payments on the account, as agreed.

21. Moreover, Defendants inaccurately reported the “last payment” date in January 2018, which is also incorrect and misleading for the same reasons: Plaintiff has been paying timely on the account since 2011.

22. Defendants also inaccurately reported that the account was closed in December 2016, which is inaccurate and misleading for similar reasons: Plaintiff is current on the loan to date and has been since at least 2011.

23. Defendants reporting is harming Plaintiff because, among other things, it denies Plaintiff the benefit of all of Plaintiff's timely payments, which would have increased Plaintiff's creditworthiness and credit score.

24. In this way, Defendants' reporting was inaccurate and materially misleading. A “materially misleading” statement is concerned with omissions to credit entries, that in context create misperceptions about otherwise may be factually accurate data. *Gorman v. Wolpoff & Abramson, LLP*, 584 F.3d 1147, 1163 (9th Cir. 2009).

25. On or about May 11, 2020, Plaintiff disputed Equifax's inaccurate reporting on Plaintiff's Equifax April 21, 2020 credit report, including inaccurate past due notations, pursuant to 15 U.S.C. § 1681i(a)(2) by notifying Equifax, in writing, of the incorrect and inaccurate credit information furnished by SLS.

26. Specifically, Plaintiff sent a letter on May 11, 2020, certified, return receipt, to Equifax, requesting the above inaccurate and incorrect derogatory information be removed.

27. On information and belief, upon receiving that letter, Equifax timely notified SLS of Plaintiff's dispute, but Equifax continued reporting inaccurate information.

- 1 28. In the alternative, and on information and belief, Equifax failed to notify SLS
2 regarding Plaintiff's dispute, thus violating 15 U.S.C. § 1681i(a)(2).
- 3 29. Also in the alternative, and on information and belief, Equifax failed to
4 provide SLS with a notice regarding Plaintiff's dispute pursuant to 15 U.S.C.
5 § 1681i(a)(5)(A). Upon information and belief, Equifax failed to provide all
6 relevant information to SLS regarding Plaintiff's dispute, thus violating 15
7 U.S.C. § 1681i(a)(2).
- 8 30. On June 4, 2020, Plaintiff received notification from Equifax that Equifax and
9 SLS investigated or reinvestigated Plaintiff's dispute, as required under 15
10 U.S.C. § 1681i(a)(6).
- 11 31. A reasonable investigation by Equifax and SLS would have indicated that they
12 were reporting the above disputed accounts inaccurately.
- 13 32. Equifax and SLS failed to review all relevant information provided by
14 Plaintiff in the dispute to Equifax, as required by and in violation of 15 U.S.C.
15 § 1681i and 15 U.S.C. § 1681s-2(b), respectively.
- 16 33. Equifax and SLS re-reported /failed to report, and suppressed, the inaccurate
17 derogatory information on Plaintiff's report. Equifax's and SLS's reporting
18 was inaccurate and misleading, as discussed above.
- 19 34. Equifax and SLS, upon receipt of Plaintiff's dispute, failed to conduct an
20 investigation or reinvestigation with respect to the disputed information as
21 required by 15 U.S.C. § 1681i and 15 U.S.C. § 1681s-2(b), respectively.
- 22 35. Equifax and SLS failed to review all relevant information provided by
23 Plaintiff in the dispute to Equifax, as required by and in violation of 15 U.S.C.
24 § 1681i and 15 U.S.C. § 1681s-2(b), respectively.
- 25 36. Due to Equifax's and SLS's failure to reasonably investigate, they further
26 failed to correct and update Plaintiff's information as required by 15 U.S.C. §
27 1681i and 15 U.S.C. § 1681s-2(b), thereby causing continued reporting of

1 inaccurate information in violation of 15 U.S.C. § 1681i and 15 U.S.C. §
2 1681s-2(b), respectively.

3 37. Equifax's and SLS's continued inaccurate and negative reporting of the debt
4 in light of their knowledge of the actual error was willful. Plaintiff is,
5 accordingly, eligible for statutory damages.

6 38. Also as a result of Equifax's and SLS's continued inaccurate and negative
7 reporting, Plaintiff has suffered actual damages, including without limitation,
8 fear of credit denials, out-of-pocket expenses in challenging Defendants'
9 inaccurate reporting, damage to Plaintiff's creditworthiness and emotional
10 distress.

11 39. By inaccurately reporting account information after notice and confirmation
12 of its errors, Equifax and SLS failed to take the appropriate measures as
13 required under 15 U.S.C. § 1681i and 15 U.S.C. § 1681s-2(b), respectively.

14 — THE TRANS UNION VIOLATIONS —

15 **Trans Union and SLS Misreported Credit Information**

16 **Re: SLS Account No. 7073*****

17 40. In Plaintiff's credit report from Trans Union dated April 22, 2020, Trans
18 Union and SLS inaccurately reported that Plaintiff was reporting the account
19 as "charge off" with the amount \$72,544 as "charged off." However,
20 Plaintiff entered into a loan modification agreement in August 2011 and has
21 been current on the loan since that time.

22 41. More specifically, Plaintiff has been making the payments each month since
23 2011 and the account is open, active, and paid on time.

24 42. Defendants are reporting inaccurately that the account is charged off, falsely
25 implying that Plaintiff is not currently making payments on the account, as
26 agreed.
27

1 43. Moreover, Defendants inaccurately reported the “last payment” date in
2 January 2018, which is also incorrect and misleading for the same reasons:
3 Plaintiff has been paying timely on the account since 2011.

4 44. Defendants also inaccurately reported that the account was closed in
5 December 2016, which is inaccurate and misleading for similar reasons:
6 Plaintiff is current on the loan to date and has been since at least 2011.

7 45. Defendants reporting is harming Plaintiff because, among other things, it
8 denies Plaintiff the benefit of all of Plaintiff's timely payments, which would
9 have increased Plaintiff's creditworthiness and credit score.

10 46. In this way, Defendants' reporting was inaccurate and materially misleading.
11 A “materially misleading” statement is concerned with omissions to credit
12 entries, that in context create misperceptions about otherwise may be factually
13 accurate data. *Gorman v. Wolpoff & Abramson, LLP*, 584 F.3d 1147, 1163
14 (9th Cir. 2009).

15 47. On or about May 11, 2020, Plaintiff disputed Trans Union's inaccurate
16 reporting on Plaintiff's Trans Union April 22, 2020 credit report, including
17 inaccurate past due notations, pursuant to 15 U.S.C. § 1681i(a)(2) by notifying
18 Trans Union, in writing, of the incorrect and inaccurate credit information
19 furnished by SLS.

20 48. Specifically, Plaintiff sent a letter on May 11, 2020, certified, return receipt,
21 to Trans Union, requesting the above inaccurate and incorrect derogatory
22 information be removed.

23 49. On information and belief, upon receiving that letter, Trans Union timely
24 notified SLS of Plaintiff's dispute, but Trans Union continued reporting
25 inaccurate information.

26 50. In the alternative, and on information and belief, Trans Union failed to notify
27 SLS regarding Plaintiff's dispute, thus violating 15 U.S.C. § 1681i(a)(2).

1 51. Also in the alternative, and on information and belief, Trans Union failed to
2 provide SLS with a notice regarding Plaintiff's dispute pursuant to 15 U.S.C.
3 § 1681i(a)(5)(A). Upon information and belief, Trans Union failed to provide
4 all relevant information to SLS regarding Plaintiff's dispute, thus violating 15
5 U.S.C. § 1681i(a)(2).

6 52. Plaintiff never received any notification from Trans Union that Trans Union
7 and SLS investigated or reinvestigated Plaintiff's dispute, as required under
8 15 U.S.C. § 1681i(a)(6).

9 53. A reasonable investigation by Trans Union and SLS would have indicated that
10 they were reporting the above disputed accounts inaccurately.

11 54. Trans Union and SLS failed to review all relevant information provided by
12 Plaintiff in the dispute to Trans Union, as required by and in violation of 15
13 U.S.C. § 1681i and 15 U.S.C. § 1681s-2(b), respectively.

14 55. Upon information and belief, Trans Union and SLS re-reported /failed to
15 report, and suppressed, the inaccurate derogatory information on Plaintiff's
16 report. Trans Union's and SLS's reporting was inaccurate and misleading, as
17 discussed above.

18 56. Trans Union and SLS, upon receipt of Plaintiff's dispute, failed to conduct an
19 investigation or reinvestigation with respect to the disputed information as
20 required by 15 U.S.C. § 1681i and 15 U.S.C. § 1681s-2(b), respectively.

21 57. Trans Union and SLS failed to review all relevant information provided by
22 Plaintiff in the dispute to Trans Union, as required by and in violation of 15
23 U.S.C. § 1681i and 15 U.S.C. § 1681s-2(b), respectively.

24 58. Due to Trans Union's and SLS's failure to reasonably investigate, they further
25 failed to correct and update Plaintiff's information as required by 15 U.S.C. §
26 1681i and 15 U.S.C. § 1681s-2(b), thereby causing continued reporting of
27

1 inaccurate information in violation of 15 U.S.C. § 1681i and 15 U.S.C. §
2 1681s-2(b), respectively.

3 59. Trans Union's and SLS's continued inaccurate and negative reporting of the
4 debt in light of their knowledge of the actual error was willful. Plaintiff is,
5 accordingly, eligible for statutory damages.

6 60. Also as a result of Trans Union's and SLS's continued inaccurate and negative
7 reporting, Plaintiff has suffered actual damages, including without limitation,
8 fear of credit denials, out-of-pocket expenses in challenging Defendants'
9 inaccurate reporting, damage to Plaintiff's creditworthiness and emotional
10 distress.

11 61. By inaccurately reporting account information after notice and confirmation
12 of its errors, Trans Union and SLS failed to take the appropriate measures as
13 required under 15 U.S.C. § 1681i and 15 U.S.C. § 1681s-2(b), respectively.

14 **Plaintiff's damages**

15 62. In addition to Plaintiff's creditworthiness being negatively impacted, Plaintiff
16 suffered emotional distress and mental anguish as a result of Defendants'
17 actions described herein. In addition, Plaintiff incurred out-of-pocket costs
18 and time in attempts to dispute Defendants' actions. Plaintiff further suffered
19 humiliation and embarrassment.

20 **FIRST CAUSE OF ACTION**

21 **VIOLATION OF THE FAIR CREDIT REPORTING ACT**

22 **15 U.S.C. § 1681**

23 63. Plaintiff incorporates by reference all of the above paragraphs of this
24 Complaint as though fully stated herein.

25 64. The foregoing acts and omissions constitute numerous and multiple willful,
26 reckless or negligent violations of the FCRA, including but not limited to each
27

1 and every one of the above-cited provisions of the FCRA, 15 U.S.C § 1681,
2 et seq.

3 65. As a result of each and every willful violation of the FCRA, Plaintiff is entitled
4 to actual damages as the Court may allow pursuant to 15 U.S.C. § 1681n(a)(1);
5 statutory damages pursuant to 15 U.S.C. § 1681n(a)(1); punitive damages as
6 the Court may allow pursuant to 15 U.S.C. § 1681n(a)(2); and reasonable
7 attorney's fees and costs pursuant to 15 U.S.C. § 1681n(a)(3) from
8 Defendants.

9 66. As a result of each and every negligent noncompliance of the FCRA, Plaintiff
10 is entitled to actual damages as the Court may allow pursuant to 15 U.S.C. §
11 1681o(a)(1); and reasonable attorney's fees and costs pursuant to 15 U.S.C. §
12 1681o(a)(2) from Defendants.

13 **Prayer for relief**

14 67. Plaintiff prays that judgment be entered against Defendants, and Plaintiff be
15 awarded damages from Defendants, as follows:

- 16 • An award of actual damages pursuant to 15 U.S.C. § 1681n(a)(1);
 - 17 • An award of statutory damages pursuant to 15 U.S.C. §
18 1681n(a)(1);
 - 19 • An award of punitive damages as the Court may allow pursuant to
20 15 U.S.C. § 1681n(a)(2);
 - 21 • An award of costs of litigation and reasonable attorney's fees,
22 pursuant to 15 U.S.C. § 1681n(a)(3), and 15 U.S.C. §
23 1681(o)(a)(1); and
 - 24 • Any other relief that this Court deems just and proper.
- 25
26
27

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Jury Demand

68. Pursuant to the seventh amendment to the Constitution of the United States of America, Plaintiff is entitled to, and demands, a trial by jury.

Dated: July 10, 2020.

Respectfully submitted,

KIND LAW

/s/ Michael Kind

Michael Kind, Esq.

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Attorney for Kristine C. Thompson